

**Finance Committee**  
**Minutes of February 11, 2016**  
**FINAL**

The Finance Committee met Wednesday evening February 11, 2016, at 7:30 PM at the Town House, Select Board Room, Concord, Massachusetts. Notice of the meeting was duly filed with the Town Clerk, Town of Concord, Massachusetts.

Members present: Richard Giles, Richard Jamison, Paul McGinn, Linda Miller, Pat Nelson, Karle Packard, Scott Randall, Wendy Rovelli, June Rzepczynski, and Tom Tarpey,

Members absent: Terri Ackerman, Daniel Cassidy, Mark Garvey, Phil Swain, and Triveni Upadhyay.

Also present: Dan Conti, Concord Public School Committee; Tony Logalbo, Finance Director; and Janet Rothrock, Recorder.

Chairman Giles called the meeting to order at 7:30 p.m. and thanked CCTV for recording the meeting.

1. Approval of Minutes (as available): The minutes of the FinCom meetings of January 14 and January 21 and the January 27 Special Town Meeting Hearing minutes were all accepted with no edits.

2. Correspondence: There was no correspondence.

3. Chair's Report: There was no Chair's Report

4. Guidelines Review – FY17 budget estimates review and updated 5-Year Forecast:

Mr. Logalbo reported that year to date revenue looks good but that there is no compelling evidence to suggest increasing the FY17 revenue estimates. The FY17 Minuteman assessment will be lower than the Finance Committee/s Guideline estimate of last November by about \$33,000 (from \$500,000 to \$467,345). The Governor's proposals for FY17 local aid are very positive, but the legislature is likely to reduce the amounts somewhat. The projection of level state aid for Concord appears safe. Motor vehicle excise tax growth is still increasing although the rate of increase is slowing. Overall, the numbers that the Finance Committee settled on in November remain valid.

There will be a bond sale next week to cover the last major piece of the High School construction financing. For the purposes of the five-year forecast, future projected pension funding expense will need to be increased because the investment return for calendar year 2015 was short of the expected rate of return. Calendar year 2016 has also begun on a significant downward note. The rate of return assumption going forward will need to be lowered by the Retirement Board.. Each ¼% cut in the rate of return assumption (presently 7.25%) will increase the total annual required employer contribution by about \$250,000 if we seek to stay on schedule to be fully funded by 2030. Therefore, Mr. Logalbo recommended that the five-year projection show an annual pension funding budget estimate that increases by \$250,000 per year commencing with FY2018. After brief discussion, the Committee agreed (without formal vote) to have Ms. Rovelli adjust the five-year forecast accordingly.

## 5. Observer Reports:

*Schools* – Ms. Miller reported that the most recent Concord Teacher Association (CTA) negotiation session was not as constructive as the previous one and that no progress has been made on the salary issue. The next CTA session is February 24 at 4:15 P.M. at Ripley School. Ms. Miller reported on the recent School Committee (SC) meeting: there is no financial news, the SC decided which new math curriculum to purchase, and three buses have been ordered but not yet delivered.

The integrated preschool expects an influx of 12-13 new students between March and September. To accommodate the new students it may be necessary to use a modular classroom. Alternatively, more space might be found at Ripley or it might be necessary to deviate from the desired 50% community peer and 50% SPED proportions to 40% community peer and 60% SPED. The community peer students bring in revenue that offsets the cost of the program. State law requires that SPED services for children ages 3-22 must be covered.

*Junction Village Funding Advisory Committee*– Ms. Nelson reported that the Junction Village project might get support from Free Cash, the Community Preservation Committee (CPC), or as in-kind services from Concord Public Works, the Concord Municipal Light Plant (CMLP), etc. The Select Board and the CPC are waiting for the Committee's report on options, due in June. The Concord Housing Foundation might be able to raise as much as \$40,000 for the project.

*Retirement Board* – Mr. Jamison reported that the return on investments for calendar year 2015 was less than the assumed 7.25% rate of return but that gains and losses from the actuarial return assumption are spread over a four-year period.

## 6. Review Town Articles:

Mr. Giles reminded the Finance Committee that it can choose to speak or not to speak on an article. He also presented the four possible votes the committee could take for each article:

- Adopt the motion, "affirmative action"
- Not approve the motion, "no action"
- Take no position
- Defer a vote

The committee could decide to take no position in two situations: either the committee decides there is no financial interest so there is no need to take a position, or the committee cannot come to agreement on a position.

<b>Finance Committee Actions on the 2016 Concord Annual Town Meeting Warrant</b>					
<b>Warrant Article</b>	<b>Finance Committee Recommends</b>	<b>As Moved by</b>	<b>As Seconded by</b>	<b>Finance Committee Vote</b>	
3 Meeting Procedure	Affirmative Action	Mr. McGinn	Mr. Randall	Unanimous (10-0)	
4 Ratify Personnel Board Classification Actions	Affirmative Action	Ms. Nelson	Mr. Randall	Unanimous (10-0)	
5 Personnel Bylaw Amendments	Affirmative Action	Ms. Nelson	Mr. Randall	Unanimous (10-0)	
6 Classification & Compensation Plan for Regular-Status Positions	Affirmative Action	Ms. Nelson	Mr. Randall	Unanimous (10-0)	
7 Town Budget	Affirmative Action	Ms. Nelson	Ms. Rovelli	Unanimous (10-0) in the sum of \$39,283,841	

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<b>Warrant Article</b>	<b>Finance Committee Recommends</b>	<b>As Moved by</b>	<b>As Seconded by</b>	<b>Finance Committee Vote</b>	
8 Home Rule Petition to Establish a Concord Senior Means-Tested Property Tax Exemption	Defer Discussion				
9 Close Elementary School Debt Stabilization Fund	Affirmative Action	Ms. Miller	Ms. Rovelli	Unanimous (10-0)	
10 PEG Access and Cable-Related Fund	Affirmative Action	Ms. Rovelli	Ms. Rzepczynski	Unanimous (10-0)	
11 Public School Budget	Affirmative Action	Ms. Rovelli	Ms. Rzepczynski	Unanimous (10-0)	
12 Concord Public School Renovations	Affirmative Action	Ms. Nelson	Ms. Miller	Unanimous (10-0) \$870,000 in borrowing (\$300,000 of this for the transportation facility if Article 15 passes)	
13 Concord-Carlisle Regional High School Budget	Defer Discussion				
14 Concord-Carlisle Regional High School District – Landfill Remediation	Affirmative Action	Ms. Rovelli	Ms. Miller	Unanimous (10-0) \$1,100,000 debt authorized by regional school committee	
15 School Transportation Facility – Supplemental Appropriation	Affirmative Action	Ms. Nelson	Mr. McGinn	Unanimous (10-0) in the sum of \$1,950,000 debt	
16 By Petition – Reconsidering the School Bus Terminal Location	No Position	Mr. Packard	Ms. Rovelli	Unanimous (10-0)	
17 Minuteman Regional Technical High School District Budget	Affirmative Action	Mr. Randall	Ms. Miller	Unanimous (10-0) in the sum of \$467,345, Concord assessment	
18 Minuteman Building Project Approval	Defer Discussion				
19 Free Cash Use	Affirmative Action	Ms. Miller	Ms. Rovelli	Unanimous (10-0), \$1,000,000	
20 Community Preservation Committee Appropriation Recommendations	Affirmative Action	Ms. Rovelli	Mr. Jamison	Unanimous (8-0) (2 members recused themselves)	
21 Outdoor Recreation Facilities – Emerson Track	Will not be Moved			(Due to gift from Middlesex School)	
22 Municipal Building Renovations	Affirmative Action	Ms. Rzepczynski	Ms. Rovelli	Unanimous (10-0), \$200,000 debt	
23 Land Acquisition – Ball's Hill Road	Affirmative Action	Mr. Jamison	Ms. Rovelli	Unanimous (10-0) in the sum of \$1.6 million debt, \$150,000 from the CPC Open Space Reserve Account	
24 Public Safety Equipment	Affirmative Action	Ms. Rzepczynski	Mr. Giles	Unanimous (10-0), \$150,000 debt	
25 Cemetery Roadway Infrastructure and Drainage Improvements	Affirmative Action	Ms. Nelson	Mr. Tarpey	Unanimous (10-0), \$150,000 debt	
26 2016 Road Program	Affirmative Action	Ms. Nelson	Mr. Tarpey	Unanimous (10-0), \$1.35 million debt	
27 Road Repair Revolving Fund Expenditures	Affirmative Action	Ms. Nelson	Mr. Tarpey	Unanimous (10-0), \$140,000	
28 Nagog Pond Water Treatment	Affirmative Action	Ms. Rovelli	Mr. Jamison	Unanimous (10-0),	

<b>Finance Committee Actions on the 2016 Concord Annual Town Meeting Warrant</b>					
<b>Warrant Article</b>		<b>Finance Committee Recommends</b>	<b>As Moved by</b>	<b>As Seconded by</b>	<b>Finance Committee Vote</b>
	Facility, Intake Piping and Reservoir Improvements				\$16.5 million debt
29	By Petition – Removal of Parking Meters	No Action	Mr. Randall	Ms. Rovelli	Unanimous (10-0)
30	By Petition – Snow Removal from Sidewalks	No Action	Mr. Randall	Ms. Rovelli	Unanimous (10-0)
31	Regional Housing Services Revolving Fund Expenditures	Affirmative Action	Ms. Nelson	Ms. Rzepczynski	Unanimous (10-0), \$210,000
45	By Petition – Bylaw Prohibiting Polystyrene in Food Service Ware	No Position			
46	By Petition – Request to Create a Net Zero Greenhouse Gas Emissions Goal, Task Force, Funding & Plan	No Action	Mr. Tarpey	Mr. Randall	9 Yes 1 Abstention
49	Unpaid Bills	No Motion			
50	Debt Rescission	Affirmative Action	Ms. Rovelli	Mr. Jamison	Unanimous (10-0)
57	Bruce Freeman Rail Trail – Phase 2B	Affirmative Action	Mr. Jamison	Ms. Rovelli	Unanimous (10-0), \$250,000 debt

Article 3, Meeting Procedure – The motion was made by Mr. McGinn, seconded by Mr. Randall, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 3.

Article 4, Ratify Personnel Board Classification Actions – The motion was made by Ms. Nelson, seconded by Mr. Randall, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 4.

Article 5, Personnel Bylaw Amendments – The motion was made by Ms. Nelson, seconded by Mr. Randall, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 5.

Article 6, Classification & Compensation Plan for Regular-Status Positions – The motion was made by Ms. Nelson, seconded by Mr. Randall, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 6.

Article 7, Town Budget – The motion was made by Ms. Nelson, seconded by Mr. Randall, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 7 in the sum of \$39,283,841.

Article 8, Home Rule Petition to Establish a Concord Senior Means-Tested Property Tax Exemption – The Finance Committee deferred discussion of this article.

Article 9 Close Elementary School Debt Stabilization Fund – The motion was made by Ms. Miller, seconded by Ms. Rovelli, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 9.

Article 10, PEG Access and Cable-Related Fund - The motion was made by Ms. Rovelli, seconded by Ms. Rzepczynski, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 10.

Article 11, Public School Budget – The motion was made by Ms. Rovelli, seconded by Ms. Rzepczynski, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 11.

Article 12, Concord Public School Renovations – The motion was made by Ms. Nelson, seconded by Ms. Miller, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 12 in the sum of \$870,000 borrowing (\$300,000 for this is for the transportation facility if Article 15 passes) .

Article 13, Concord-Carlisle Regional High School Budget - The Finance Committee deferred discussion of this article.

There was discussion of articles 14, 15, and 16. The conclusion was that the proposed transportation facility would be better than the current arrangement because it would site transportation functions on Concord land and it would be better than the financial uncertainty that outsourcing entails. It is problematic and expensive to site the transportation facility on the high school campus because the landfill site would be expensive to develop. There is no location other than the W. R. Grace land available for the transportation facility.

Article 14, Concord-Carlisle Regional High School District – Landfill Remediation - The motion was made by Ms. Rovelli, seconded by Ms. Miller, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 14.

Article 15, School Transportation Facility – Supplemental Appropriation - The motion was made by Ms. Nelson, seconded by Mr. McGinn, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 15.

Article 16, By Petition – Reconsidering the School Bus Terminal Location - The motion was made by Mr. Packard, seconded by Ms. Rovelli, and voted unanimously in favor by the Finance Committee members. The Finance Committee takes no position on Article 16.

Article 17, Minuteman Regional Technical High School District Budget- The motion was made by Mr. Randall, seconded by Ms. Miller, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 17 in the sum of \$467,345.

Article 18 Minuteman Building Project Approval - The Finance Committee deferred discussion of this article.

Article 19, Free Cash Use - The motion was made by Ms. Miller, seconded by Ms. Rovelli, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 19.

Ms. Rzepczynski and Ms. Ackerman recused themselves before the discussion of Article 20.

Article 20, Community Preservation Committee Appropriation Recommendations – The motion was made by Ms. Rovelli, seconded by Mr. Jamison, and voted unanimously in favor by the

Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 20.

Article 21, Outdoor Recreation Facilities – Emerson Track – This article will not be moved. Middlesex School has offered a gift of \$100,000 for this purpose.

Article 22, Municipal Building Renovations – The motion was made by Ms. Rzepczynski, seconded by Ms. Rovelli, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 22.

Article 23, Land Acquisition – Ball’s Hill Road – The motion was made by Mr. Jamison, seconded by Ms. Rovelli, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 23 in the sum of \$150,000 from the CPC Open Space Reserve Account and \$1.6 million from a borrowing authorization.

Article 24, Public Safety Equipment - The motion was made by Ms. Rzepczynski, seconded by Ms. Nelson and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 24.

Article 25, Cemetery Roadway Infrastructure and Drainage Improvements – The motion was made by Ms. Nelson, seconded by Mr. Tarpey, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 25.

Article 26, 2016 Road Program – The motion was made by Ms. Nelson, seconded by Mr. Tarpey, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 26.

Article 27, Road Repair Revolving Fund Expenditures - The motion was made by Ms. Nelson, seconded by Mr. Tarpey, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 27.

Article 28, Nagog Pond Water Treatment Facility, Intake Piping and Reservoir Improvements - The motion was made by Ms. Nelson, seconded by Mr. Tarpey, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 28.

There was discussion of the issue raised by the petition Article 29. Parking meter revenue funds road and parking lot striping as well as the maintenance of parking meters, traffic signals, and parking lots. The purpose of parking meters is to prevent all-day parking. It was agreed to recommend retaining the parking meters.

Article 29, By Petition – Removal of Parking Meters - The motion was made by Ms. Nelson, seconded by Mr. Tarpey, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take **NO ACTION** on Article 29.

Article 30, By Petition – Snow Removal from Sidewalks - The motion was made by Ms. Nelson, seconded by Mr. Tarpey, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take **NO ACTION** on Article 30.

Article 31, Regional Housing Services Revolving Fund Expenditures – The motion was made by Ms. Nelson, seconded by Ms. Rzepczynski, and voted unanimously in favor by the Finance

Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 31.

Article 45, By Petition – Bylaw Prohibiting Polystyrene In Service Ware - The Finance Committee takes no position on Article 45.

There was a great deal of discussion of Article 46. Some wanted to give the \$85,000 requested in the article to the Town Manager to use for Town Budget projects not funded in the current budget, or for sustainability projects. Some thought a task force should be created but not funded because the idea is evolving. The consensus was that the task force should be created but not funded until it clarifies its needs and that any funds allocated be under the control of the Select Board.

Article 46, By Petition – Request to Create a Net Zero Greenhouse Gas Emissions Goal, Task Force, Funding & Plan – The motion was made by Mr. Tarpey, seconded by Mr. Randall, and voted 9 in favor with 1 abstention by the Finance Committee members. The Finance Committee recommends that Town Meeting take no action on Article 46.

Article 49, Unpaid Bills – No motion is expected.

Article 50, Debt Rescission – The motion was made by Ms. Rovelli, seconded by Mr. Jamison, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 50.

Article 51-56 The Finance Committee deferred discussion of these articles until after the Public Hearing scheduled for February 29th.

Article 57, Bruce Freeman Rail Trail – Phase 2B – The motion was made by Mr. Jamison, seconded by Ms. Rovelli, and voted unanimously in favor by the Finance Committee members. The Finance Committee recommends that Town Meeting take affirmative action on Article 57.

7. Finance Director's Report: Mr. Logalbo informed the Finance Committee that it is time to form a nominating committee and announced that there will be a high school building project bond sale next week. Then he explained the need for a Reserve Fund Request for the Veterans Services & Benefits account in the amount of \$17,000.

The motion was made by Mr. Jamison, seconded by Ms. Rovelli, and voted unanimously in favor by the Finance Committee members to transfer \$17,000 from the FY16 Reserve Fund to the FY16 Veterans Services & Benefits account #1-520-544/545.

Mr. Logalbo announced that the state will give Concord a \$205,000 Correctional Facilities Mitigation Grant this year. This money is not earmarked and is recorded as a general receipt. No budget estimate had been made.

Mr. Logalbo reported that the equity market decline from June 30, 2015 through February 10<sup>th</sup> had sharply reduced the investment gains in the OPEB Trust Fund account that had accumulated over the past five years. He distributed a chart of the OPEB Trust Fund assets since inception on June 30, 2010 showing a current balance of \$8,622,000 (market value) of which \$379,000 was from cumulative investment gains.

8. Committee questions/comments: There were none.

9. Citizen questions/comments: There were no citizen present.

10. Other Business:

There being no further business, the meeting was adjourned at 10:02 pm.

Respectfully submitted,

Karle Packard, Clerk

Documents consulted or reviewed at the meeting:

2016 Annual Town Meeting – Public Hearing Schedule, Finance Committee  
Correctional Facilities Mitigation Grant announcement from Executive Office of Public Safety  
Town of Concord, Other Post- Employment Benefits (OPEB) Trust Fund (chart)  
Reserve Fund Request Form, No. 16.1, February 11, 2016